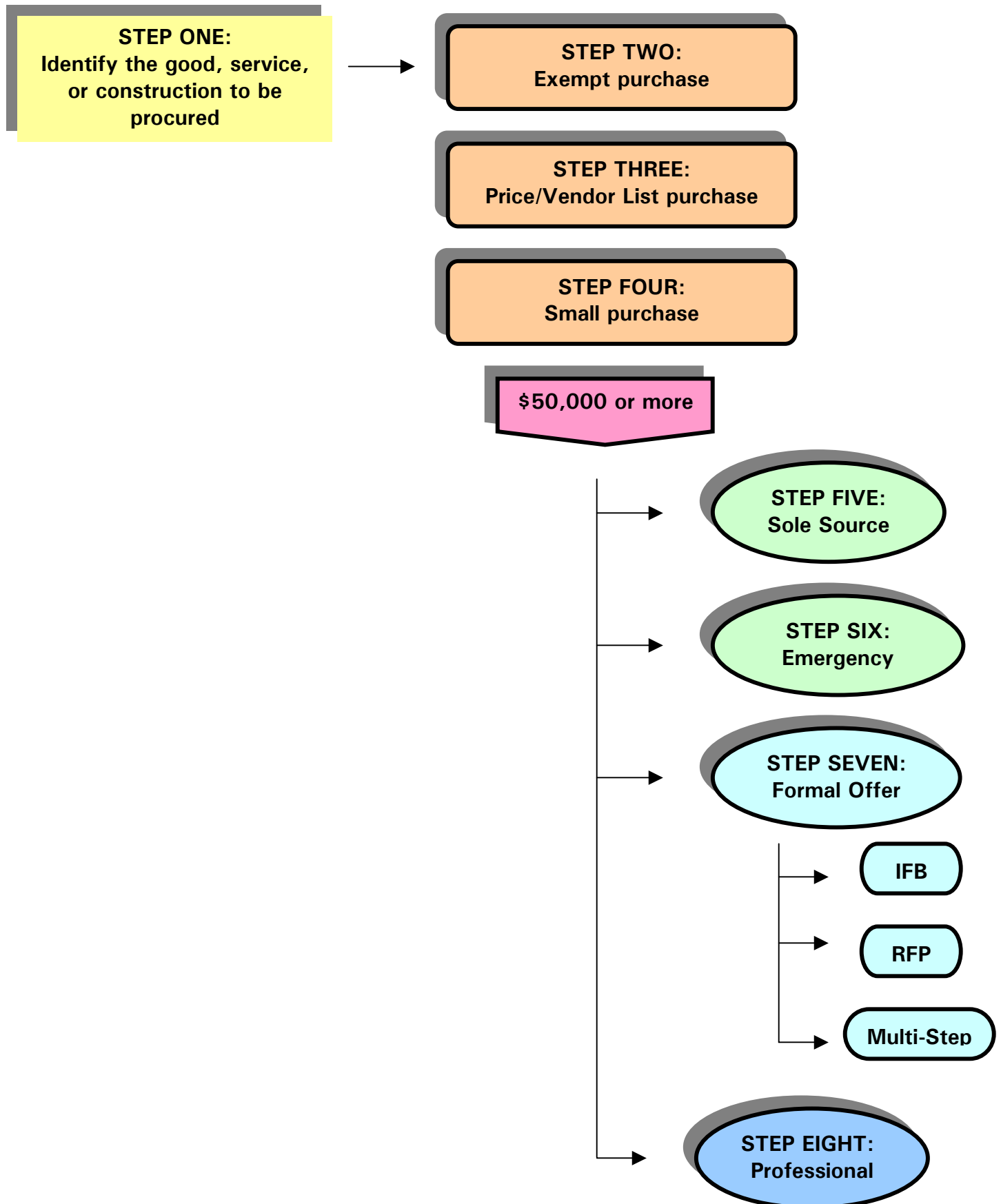


PROCUREMENT OF GOODS, SERVICES, AND CONSTRUCTION



PROCUREMENT OF GOODS, SERVICES, AND CONSTRUCTION

Step 1: Determine what you need to purchase. What are the specifications? Once you've determined the specifications, you're ready to proceed.

Step 2: **Exemptions.** Is the good or service exempt from the procurement code, HRS chapter 103D? §103D-102 exemptions may apply; *however, competitive bidding is always encouraged*. Reference: HRS §103D-102; HAR §3-120-4.

Step 3: **Price/Vendor list (NO DOLLAR LIMIT).** Is the good or service available from the State Procurement Office (SPO) price/vendor list? If yes, purchase from the applicable SPO price/vendor list. Reference: HAR §3-121-6(c).

What if the good or service on the price list does not meet your needs? You must request a waiver to purchase outside of the price list. Use SPO Form-5.

Step 4: **Small purchase (UNDER \$50,000).** If the good or service is not available from the SPO price/vendor list, determine the estimated dollar amount of the purchase. If the amount is less than \$50,000, for same, like, or related goods, services, or construction in total during any 12 consecutive month period, use small purchase procedures. Reference: HAR Chapter 3-122, Subchapter 8.

Step 5: **Sole source (\$50,000+).** Does the purchase qualify as a sole source purchase? In brief, if you can justify that your needs can be met by purchase from one source only and no other, request a sole source approval. Use SPO Form-1 and 1A. Reference: HAR Chapter 3-122, Subchapter 9. [Note that sole source purchase is not the norm.]

Step 6: **Emergency Procurement (\$50,000+).** If the purchase is such that if you don't act immediately and an emergency condition that is a threat to public health, welfare, or safety would result, seek an emergency procurement approval. Use SPO Form-2. Reference: HAR Chapter 3-122, Subchapter 10. [Note that emergency procurement is not the norm.]

Step 7: **Competitive sealed bids or proposals (\$50,000+).** If none of the above six steps apply to your purchase, you must use either the competitive sealed *bids* process or the competitive sealed *proposals* process.

The majority of competitive purchases are done through the competitive sealed *bids* process via the Invitation for Bids (IFB). The competitive sealed *proposals* process via the Request for Proposals (RFP) is the exception and must be justified and approved prior to use.

Invitation for Bids. The IFB is used when the specifications are clear—you know what your needs are and you can spell them out. Award is made on the basis of lowest bid price, provided the bidder is responsive and responsible. Reference: HAR Chapter 3-122, Subchapter 5.

Request for Proposals. The RFP on the other hand is used when you know what your objective is but don't know how best to meet that objective. The process gives you the opportunity to evaluate several approaches to meet your needs and to request price offers from acceptable offerors only. Also, factors other than price may be important to you. This process allows you to award to other than the low bidder. Reference: HAR Chapter 3-122, Subchapter 6.

Multi-Step IFB. A solicitation involving a combination of an IFB and RFP.

Step 8: **Professional Services (\$50,000+).** What qualifies or is defined as a professional service. Professional services may be procured in accordance with HRS §§103D-302, 103D-303, 103D-304, 103D-305, 103D-306, or 103D-307. Design professional services (HRS Chapter 464) shall be procured pursuant to §103D-304 or §103D-307.